

To: Department of Local Government Finance

Date: 02/05/2008

Subject: Use of sales information for Trending Analysis.

For the 2007 payable 2008 trending analysis, the Vanderburgh County Assessors utilized sales, which occurred between January 1, 2005 and December 31<sup>st</sup> 2006. These sales were validated by the township assessors and then re-evaluated by Charles Simons, the contracted appraiser aiding in the analysis of commercial and industrial valuations for taxing purposes. The validation process did incorporate data from the Multi Listing Service to gain further knowledge of each transaction and to compare properties that were listed as on the market during the trending process. The assessors continue to send sales questionnaires to gain more information from parties involved with transactions within this time frame to aid in the validation process.

In areas that had insufficient sales for analysis, the townships time adjusted sales from previous years. Sales from 2003 and 2004 were used for analysis with a 2% a year time adjustment. We did not use Marshall and Swift cost data, other than our current cost schedules, which remain the same from those used for the 2002 reassessment. The assessors also utilized information from appraisals that were filed with appeals from 2006 payable 2007 valuations. This information was utilized to determine the validity of trending factors to be applied through trending for assessments. If no previous year sales data was available for a particular area and appraisals or other data were lacking,

neighborhoods were compared to other similar neighborhoods with sufficient information and data to aid in the trending process.

Vacant land sales were used to determine if current rates for land were adequate or if the rates needed to be adjusted to current trends within the market. This was performed for commercial, industrial, and residential land values.

The ratio studies were performed within our cama system, Proval. Ratio studies were run by neighborhood for land and improvement values. Adjustments were made to assessments with new land values and any necessary corrections. The ratio studies were then exported from Proval to an excel spreadsheet for submission to the state.

Appraisals and MLS data were used to confirm analysis and trend factors for accuracy. We have maintained a file of all appraisals from appeals of the 2006 payable 2007 valuations, which were filed for future use in trending.

Commercial and industrial trending did utilize income data where sufficient information was available. Commercial and Industrial assessments are now being valued by the income approach where applicable. Gross Rent Multipliers were calculated for apartments and multifamily rental units where sufficient data was available. We are maintaining a sales file with income information for future valuations at this time.

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Vanderburgh County Assessor.